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# Message Text

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ORIGIN EB-08

INFO OCT-01 EA-07 IO-13 ISO-00 AGRE-00 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-03
OMB-01 SIL-01 L-03 NSC-05 SS-15 INRE-00 NSCE-00
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E.O. 11652:N/A

TAGS:ETRD, HK

SUBJECT: BILATERAL TEXTILE AGREEMENT.

1. EMBASSY IS AUTHORIZED TO EXCHANGE NOTES AS FOLLOWS IMPLEMENTING NEW BILATERAL TEXTILE AGREEMENT FOR PERIOD JANUARY 1, 1978 THROUGH DECEMBER 31, 1982. WHEN EXCHANGE IS COMPLETED, PLEASE NOTIFY DEPARTMENT TELEGRAPHICALLY GIVING TEXT OF HKG NOTE (IF HKG NOTE REPEATS U.S. TEXT, SIMPLY INDICATE REPETITION. IT IS NOT NECESSARY TO REPEAT TEXT OF U.S. NOTE IN YOUR TELEGRAM). PLEASE FORWARD TO DEPARTMENT ORIGINAL AND ONE CERTIFIED COPY
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OF HONG KONG NOTE, AND TWO CERTIFIED COPIES OF CONSULATE NOTE, IN ACCORDANCE WITH 11 FAM 723.7.

2. TEXT OF NOTE ESTABLISHING NEW BILATERAL AGREEMENT:

EXCELLENCY:

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I HAVE THE HONOR TO REFER TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (HEREINAFTER REFERRED TO AS THE ARRANGEMENT),ONE AT GENEVA ON DECEMBER 20, 1973.

I ALSO REFER TO DISCUSSIONS BETWEEN REPRESENTATIVES OF THE GOVERNMENT OF HONG KONG AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA IN WASHINGTON FROM MAY 2 TO MAY 5, 1977, AND IN LYON AND GENEVA FROM JUNE 1 TO JUNE 23, 1977, CONCERNING EXPORTS OF COTTON, WOOL AND MAN-MADE FIBER TEXTILES AND TEXTILE PRODUCTS MANUFACTURED IN HONG KONG WHICH ARE EXPORTED TO THE UNITED STATES. AS A RESULT OF THESE DISCUSSIONS, I PROPOSE ON BEHALF OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, UNDER ARTICLE 4 OF, AND IN CONFORMITY WITH, THE ARRANGEMENT, THE FOLLOWING AGREEMENT RELATING TO TRADE IN COTTON, WOOL AND MAN-MADE FIBER TEXTILES AND TEXTILE PRODUCTS BETWEEN HONG KONG AND THE UNITED STATES.

1. THE TERM OF THE AGREEMENT SHALL BE FROM JANUARY 1, 1978 THROUGH DECEMBER 31, 1982, EXCEPT AS PROVIDED IN PARAGRAPH 23.

2. AN "AGREEMENT YEAR" SHALL BE A CALENDAR YEAR, WITH THE FIRST AGREEMENT YEAR COMMENCING ON JANUARY 1, 1978 AND ENDING ON DECEMBER 31, 1978.
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3. TEXTILES AND TEXTILE PRODUCTS COVERED BY THE AGREEMENT SHALL BE CLASSIFIED IN FOUR GROUPS, AS FOLLOWS:

| GROUP | DEFINITION |
|---|---|
| I | YARN AND FABRIC OF COTTON AND/OR MAN-MADE FIBER (CATEGORIES 300, 301, 310-320, 600-605, 610-614, AND 625-627). |
| II | APPAREL OF COTTON AND/OR MAN-MADE FIBER (CATEGORIES 330-342, 345, 347-352, 359, 630-652, AND 659). |
| III | OTHER MADE-UP AND MISCELLANEOUS PRODUCTS OF COTTON AND/OR MAN-MADE FIBER, NOT INCLUDED IN GROUPS I OR II (CATEGORIES 360-363, 369, 665, AND 669). |
| IV | WOOL TEXTILES AND TEXTILE PRODUCTS (CATEGORIES 400, 410, 411, 425, 429, 431-436, 438, 440, 442-448, 459, 464, 465, 469). |

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THE DETERMINATION OF WHETHER A TEXTILE OR TEXTILE PRODUCT IS OF COTTON, WOOL, OR MAN-MADE FIBER SHALL BE MADE IN ACCORDANCE WITH THE TERMS OF PARAGRAPH 10. THE CATEGORIES REFERRED TO IN THE ABOVE DEFINITIONS OF GROUPS ARE THOSE SUMMARIZED IN ANNEX B.

4. DURING THE TERM OF THE AGREEMENT, THE GOVERNMENT OF HONG KONG SHALL LIMIT ANNUAL EXPORTS FROM HONG KONG OF COTTON, WOOL, AND MAN-MADE FIBER TEXTILES AND TEXTILE PRODUCTS OF HONG KONG ORIGIN TO THE UNITED STATES OF AMERICA, TO THE AGGREGATE, GROUP, SPECIFIED LIMITS AND SUB-LIMITS SET FORTH IN ANNEX A HERETO, AS SUCH LIMITS MAY BE ADJUSTED IN ACCORDANCE WITH PARAGRAPHS 5, 6 AND 7.
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THE LIMITS SET OUT IN ANNEX A ARE WITHOUT SUCH ADJUSTMENTS. ALL TEXTILES AND TEXTILE PRODUCTS IN CATEGORIES NOT SUBJECT TO SPECIFIED LIMITS MAY BE EXPORTED FROM HONG KONG TO THE UNITED STATES ONLY IN ACCORDANCE WITH PARAGRAPH 9. SHIPMENTS VALUED AT U.S. 250 DOLLARS OR LESS WHICH ARE EXPORTED FROM HONG KONG TO THE UNITED STATES SHALL NOT BE SUBJECT TO THE LIMITS IN ANNEX A OR THE PRO-CEDURES OF PARAGRAPH 9.

5. DURING ANY AGREEMENT YEAR, AND WITHIN THE APPLICABLE AGGREGATE LIMIT FOR SUCH AGREEMENT YEAR, IN ADDITION TO ANY ADJUSTMENTS PURSUANT TO PARAGRAPH 7, THE GROUP LIMITS APPLICABLE TO SUCH AGREEMENT YEAR MAY BE EXCEEDED BY NOT MORE THAN 15 PERCENT IN THE CASE OF GROUPS I AND III, BY NOT MORE THAN 7 PERCENT IN THE CASE OF GROUP II, AND BY NOT MORE THAN 3 PERCENT IN THE CASE OF GROUP IV.

6. DURING ANY AGREEMENT YEAR, AND WITHIN THE APPLICABLE AGGREGATE AND GROUP LIMIT FOR SUCH AGREEMENT YEAR, AS THEY MAY BE ADJUSTED PURSUANT TO PARAGRAPHS 5 AND 7 IN ANNEX A OR PURSUANT TO AN AMENDMENT TO ANNEX A OF THIS AGREEMENT, MAY BE EXCEEDED BY NOT MORE THAN:

10 PERCENT IF INCLUDED WITHIN GROUP I OR GROUP III,
7 PERCENT IF INCLUDED WITHIN GROUP II,
5 PERCENT IF INCLUDED WITHIN GROUP IV,
PROVIDED HOWEVER, THAT THE SPECIFIED LIMITS FOR COTTON GLOVES (CAT. 331), WOMEN'S, GIRLS' AND INFANTS' COTTON COATS (CAT. 335), COTTON SHIRTS AND BLOUSES, KNIT

(MERGED CAT. 338/339), COTTON SHIRTS, NOT KNIT (CAT. 340), COTTON BLOUSES, NOT KNIT (CAT. 341), COTTON SKIRTS (CAT.
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342), COTTON NIGHTWEAR (CAT. 351), WOMEN'S, GIRLS'
AND INFANTS' MAN-MADE FIBER COATS (CAT. 635), MAN-MADE
FIBER BLOUSES (CAT. 639), MAN-MADE FIBER SWEA?ERS (MERGED
CAT. 645/646) OR WOMEN'S, GIRLS' AND INFANTS' MAN-MADE
FIBER TROUSERS (CAT. 648) MAY NOT BE EXCEEDED BY MORE THAN
6 PERCENT, AND PROVIDED, FURTHER, THAT THE SPECIFIED
LIMITS FOR THE MERGED CATEGORIES OF COTTON COATS (CAT.
333/334/335), COTTON TROUSERS (CAT. 347/348), MAN-MADE
FIBER COATS (CAT. 633/634/635) AND MAN-MADE FIBER SHIRTS
AND BLOUSES, KNIT (CAT. 638/639) MAY NOT BE EXCEEDED BY
MORE THAN THE PERCENTAGES SET OUT IN ANNEX C. ADJUST-
MENTS MADE PURSUANT TO THIS PARAGRAPH ARE IN ADDITION TO
THOSE PURSUANT TO PARAGRAPH 7.

7. (A) IN ANY AGREEMENT YEAR, IN ADDITION TO ANY
ADJUSTMENTS PURSUANT TO PARAGRAPHS 5 AND 6, EXPORTS MAY
EXCEED BY A MAXIMUM OF 11 PERCENT (7.15 PERCENT DURING
THE FIRST AGREEMENT YEAR) THE AGGREGATE LIMIT AND ANY
GROUP OR SPECIFIED LIMIT OR SUB-LIMIT BY ALLOCATING TO
THE LIMITS FOR THAT AGREEMENT YEAR AN UNUSED PORTION OF
THE CORRESPONDSNG LIMIT IN ANNEX A FOR THE PREVIOUS
AGREEMENT YEAR (CARRYOVER) OR A PORTION OF THE
CORRESPONDING LIMIT IN ANNEX AFOR THE SUCCEEDING AGREEMENT
YEAR (CARRY FORWARD) SUBJECT TO THE FOLLOWING CONDITIONS:

(I) CARRYOVER MAY BE UTILIZED AS AVAILABLE UP TO 11
PERCENT OF THE RECEIVING AGREEMENT YEAR'S APPLICABLE
LIMITS, PROVIDED, HOWEVER, THAT NO CARRYOVER SHALL BE
AVAILABLE FOR APPLICATION DURING THE FIRST AGREEMENT
YEAR;

(II) SAVE IN THE FIRST AGREEMENT YEAR, TO WHICH
CARRYOVER DOES NOT APPLY, THE COMBINATION OF CARRYOVER
AND CARRY FORWARD MAY NOT EXCEED 11 PERCENT OF THE
RECEIVING AGREEMENT YEAR'S APPLICABLE LIMITS IN ANY
AGREEMENT YEAR;
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(III) CARRY FORWARD MAY BE UTILIZED UP TO 7.15
PERCENT OF THE RECEIVING AGREEMENT YEAR'S APPLICABLE LIMITS
AND CHARGED AGAINST THE IMMEDIATELY FOLLOWING AGREEMENT
YEAR'S CORRESPONDING LIMITS;

(IV) CARRYOVER OF SHORTFALL SHALL NOT BE APPLIED TO ANY

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SPECIFIED LIMITS OR SUB-LIMITS UNTIL THE GOVERNMENTS OF HONG KONG AND THE UNITED STATES HAVE COMPLETED CONSULTATIONS UPON THE AMOUNTS INVOLVED. IF SUBSTANTIAL STATISTICAL DIFFERENCES EXIST BETWEEN THE IMPORT AND EXPORT DATA UPON WHICH SHORTFALL FOR A GIVEN AGREEMENT YEAR IS COMPUTED, THE PARTIES SHALL CONSULT AS SOON AS POSSIBLE AND IN ANY CASE WITHIN THE FIRST SIX MONTHS OF THE SUCCEEDING AGREEMENT YEAR.

(B) FOR PURPOSES OF THIS AGREEMENT, A SHORTFALL OCCURS WHEN EXPORTS OF TEXTILES AND TEXTILE PRODUCTS OF HONG KONG ORIGIN TO THE UNITED STATES DURING AN AGREEMENT YEAR ARE BELOW THE AGGREGATE LIMIT AND ANY APPLICABLE GROUP, SPECIFIED LIMITS OR SUB-LIMITS IN ANNEX A.
IN THE AGREEMENT YEAR FOLLOWING THE SHORTFALL, SUCH EXPORTS FROM HONG KONG TO THE UNITED STATES MAY BE PERMITTED TO EXCEED THE AGGREGATE, GROUP, SPECIFIED LIMITS AND OR SUB-LIMITS SUBJECT TO CONDITIONS OF SUBPARAGRAPH (A) OF THIS PARAGRAPH BY CARRYOVER OF SHORTFALLS IN THE FOLLOWING MANNER:

(I) THE CARRYOVER SHALL NOT EXCEED THE AMOUNT OF SHORTFALL IN EITHER THE AGGREGATE LIMIT OR ANY APPLICABLE GROUP, SPECIFIED LIMIT OR SUB-LIMIT;

(II) IN THE CASE OF SHORTFALL IN A CATEGORY OR SUB-
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CATEGORY (OR A COMBINATION OF CATEGORIES) SUBJECT TO A SPECIFIED LIMIT OR SUB-LIMIT, THE SHORTFALL SHALL BE USED IN THE SAME CATEGORY OR SUB-CATEGORY (OR COMBINATION OF CATEGORIES) IN WHICH THE SHORTFALL OCCURRED; AND

(III) IN THE CASE OF SHORTFALLS NOT ATTRIBUTABLE TO CATEGORIES (OR COMBINATION OF CATEGORIES) SUBJECT TO SPECIFIED LIMITS, THE CARRYOVER SHALL BE USED IN THE SAME GROUP IN WHICH THE SHORTFALL OCCURRED, SHALL NOT BE USED TO EXCEED ANY APPLICABLE SPECIFIED LIMIT OR SUB-LIMIT EXCEPT IN ACCORDANCE WITH PARAGRAPH 6, AND SHALL NOT AFFECT ANY CONSULTATION ARRANGEMENTS MADE PURSUANT TO PARAGRAPH 8.

(C) THE LIMITS REFERRED TO IN SUBPARAGRAPH (A) AND(B) OF THIS PARAGRAPH ARE WITHOUT ANY ADJUSTMENT UNDER THIS PARAGRAPH OR PARAGRAPHS 5 AND 6 ABOVE.

(D) THE TOTAL ADJUSTMENT UNDER THIS PARAGRAPH SHALL BE IN ADDITION TO THE ADJUSTEMENT TO THE LIMITS PERMITTED BY PARAGRAPHS 5 AND 6.

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8. (A) DURING ANY AGREEMENT YEAR THE GOVERNMENT OF HONG KONG MAY WISH TO EXCEED A SPECIFIED LIMIT APPLICABLE TO TWILLS AND SATEEN (CAT; 317), COTTON DRESSES (CAT. 336), COTTON PLAYSUITS (CAT. 337), COTTON DRESSING GOWNS (CAT. 350), MEN'S AND BOYS' MAN-MADE FIBER KNIT TOPS (CAT. 638), AND MAN-MADE FIBER BLOUSES (CAT. 641) AS SUCH LIMIT MAY BE ADJUSTED IN ACCORDANCE WITH THE TERMS OF PARAGRAPH 6 OR 7. (B) IF THE GOVERNMENT OF HONG KONG SO WISHES, IT SHALL ALSO BE ABLE TO
REQUEST A HIGHER LEVEL, AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHALL CONSIDER THE REQUEST SYMPATHETICALLY AND SHALL RESPOND PROMPTLY. IF THE GOVERNMENT OF THE UNITED STATES OF AMERICA IS UNABLE TO COMPLY FULLY, THE GOVERNMENT OF THE UNITED STATES OF
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AMERICA SHALL SO INFORM THE GOVERNMENT OF HONG KONG AND SHALL SUPPLY DATA WHICH FORM THE BASIS OF THE POSITION TAKEN BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA.

(C) IF REQUESTED BY THE GOVERNMENT OF HONG KONG, THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHALL CONSULT PROMPTLY WITH THE GOVERNMENT OF HONG KONG. UNTIL A MUTUALLY SATISFACTORY CHANGE IN THE SPECIFIED LIMIT APPLICABLE TO THE CATEGORY IN QUESTION IS ESTABLISHED, SHIPMENTS OF PRODUCTS CLASSIFIED IN SUCH CATEGORY SHALL NOT EXCEED THE EXISTING SPECIFIED LIMIT, AS IT MAY BE ADJUSTED IN ACCORDANCE WITH THE TERMS OF PARAGRAPHS 6 AND 7.

9. IN VIEW OF THE WELL ESTABLISHED AND EFFECTIVE HONG KONG SYSTEM OF EXPORT AUTHORIZATION AND LICENSING, AND THE DESIRE OF BOTH GOVERNMENTS TO ELIMINATE REAL RISKS OF MARKET DISRUPTION, THE FOLLOWING CONSULTATION PROCEDURES SHALL APPLY TO EACH CATEGORY NOT SUBJECT TO A SPECIFIED LIMIT:

(A) THE GOVERNMENT OF HONG KONG SHALL PROVIDE REPORTS ON EXPORT AUTHORIZATIONS (EA'S) ISSUED FOR EXPORTS TO THE UNITED STATES OF SUCH CATEGORIES AS FREQUENTLY AND IN SUCH DETAIL AS MAY BE REQUESTED.

(B) THE GOVERNMENT OF THE UNITED STATES MAY REQUEST CONSULTATIONS WITH A VIEW TO AGREEMENT ON AN APPROPRIATE LEVEL OF RESTRAINT FOR ANY CATEGORY NOT GIVEN A SPECIFIED LIMIT FOR ANY AGREEMENT YEAR WHENEVER, IN THE VIEW OF THE GOVERNMENT OF THE UNITED STATES, CONDITIONS IN ITS MARKET ARE SUCH THAT A LIMITATION ON FURTHER TRADE IN ANY SUCH CATEGORY IS NECESSARY IN ORDER TO ELIMINATE A
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REAL RISK OF MARKET DISRUPTION.

(C) THE REQUEST FOR SUCH CONSULTATIONS SHALL BE SUPPORTED AS SOON AS POSSIBLE, AND IN ANY CASE WITHIN 21 DAYS OF THE DATE OF THE REQUEST, BY A STATEMENT OF MARKET CONDITIONS IN THE UNITED STATES WHICH IN THE OPINION OF THE GOVERNMENT OF THE UNITED STATES MAKE NECESSARY THE REQUEST FOR CONSULTATIONS. THE STATEMENT SHALL INCLUDE DATA SIMILAR TO THAT CONTEMPLATED IN PARAGRAPHS 1 AND 2 OF ANNEX A OF THE ARRANGEMENT.

(D) UPON RECEIPT OF A REQUEST FOR SUCH CONSULTATIONS, HONG KONG, AS REQUESTED BY THE GOVERNMENT OF THE UNITED STATES, SHALL CEASE OR OTHERWISE LIMIT FURTHER ISSUANCE OF EA'S AND SHALL NOT FURTHER ISSUE EA'S IN THE ABSENCE OF SPECIFIC AGREEMENT BY THE GOVERNMENT OF THE UNITED STATES, PENDING THE CONCLUSION OF CONSULTATIONS. EA'S ISSUED PRIOR TO RECEIPT OF THE REQUEST FOR CONSULTATIONS MAY BE HONORED BY THE ISSUANCE OF EXPORT LICENSES BY THE GOVERNMENT OF HONG KONG. THE TWO GOVERNMENTS, UNLESS AGREED OTHERWISE, SHALL CONSULT AS SOON AS POSSIBLE WITHIN 30 DAYS OF THE REQUEST FOR SUCH CONSULTATIONS AND SHALL MAKE THEIR BEST EFFORTS TO COMPLETE SUCH CONSULTATIONS WITHIN 30 DAYS OF THEIR COMMENCEMENT.

(E) IN THE EVENT THAT CONSULTATIONS DO NOT RESULT IN AGREEMENT, THE GOVERNMENT OF THE UNITED STATES SHALL HAVE THE RIGHT TO REQUEST THE GOVERNMENT OF HONG KONG TO LIMIT EXPORTS OF THE PRODUCT IN QUESTION FOR THE AGREEMENT YEAR IN WHICH THE REQUEST FOR CONSULTATIONS TAKES PLACE TO A LEVEL NOT LESS THAN THE LEVEL OF EA'S ISSUED, AND THE GOVERNMENT OF HONG KONG AGREES THAT IT WILL HONOR SUCH REQUEST, BUT WITHOUT PREJUDICE TO ITS RIGHTS UNDER PARAGRAPH 24 BELOW.

(F) IN THE IMPLEMENTATION OF THIS PROVISION, THE
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GOVERNMENT OF HONG KONG SHALL ADVISE THE GOVERNMENT OF THE UNITED STATES IMMEDIATELY UPON RECEIPT OF ANY

APPLICATION FOR EA'S IN EXCEPTIONALLY LARGE AMOUNTS OR OF ANY UNUSUAL CONCENTRATION OF APPLICATIONS FOR EA'S IN A PARTICULAR CATEGORY.

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(G) THE TWO GOVERNMENTS SHALL CONSULT WITH REGARD TO PROBLEMS THAT MAY ARISE IF THIS PARAGRAPH IS INVOKED NEAR THE END OF AN AGREEMENT YEAR, TO CONSIDER THE POSSIBILITIES OF AVOIDING UNDUE HARDSHIP TO THE TRADE, SUCH SEPARATE CONSULTATIONS TO BE HELD AS EARLY AS POSSIBLE.

10. (A) TOPS, YARNS, PIECE GOODS, MADE-UP ARTICLES, GARMENTS AND OTHER TEXTILE MANUFACTURED PRODUCTS, ALL BEING PRODUCTS WHICH DERIVE THEIR CHIEF CHARACTERISTICS FROM THEIR TEXTILE COMPONENTS, OF COTTON, WOOL, MAN-MADE FIBERS, OR BLENDS THEREOF, IN WHICH ANY OR ALL OF THOSE FIBERS IN COMBINATION REPRESENT EITHER THE CHIEF VALUE OF THE FIBERS OR 50 PERCENT OR MORE BY WEIGHT (OR 17 PERCENT OR MORE BY WEIGHT OF WOOL) OF THE PRODUCT, ARE SUBJECT TO THIS AGREEMENT.

(B) FOR THE PURPOSES OF THIS AGREEMENT, TEXTILE PRODUCTS SHALL BE CLASSIFIED AS COTTON, WOOL OR MAN-MADE FIBER TEXTILES IF WHOLLY OR IN CHIEF VALUE OF ANY OF THESE FIBERS. ANY PRODUCT COVERED BY SUBPARAGRAPH (A) ABOVE BUT NOT IN CHIEF VALUE OF COTTON OR WOOL OR MAN-MADE FIBER SHALL BE CLASSIFIED AS:

(I) COTTON TEXTILES IF CONTAINING 50 PERCENT OR MORE BY WEIGHT OF COTTON, OR IF THE COTTON COMPONENT EXCEEDS LIMITED OFFICIAL USE

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BY WEIGHT THE WOOL AND/OR THE MAN-MADE FIBER COMPONENT;

(II) WOOL TEXTILES IF NOT COTTON, AND THE WOOL EQUALS OR EXCEEDS 17 PERCENT BY WEIGHT OF ALL COMPONENT FIBERS; AND

(III) MAN-MADE FIBER TEXTILES IF NEITHER OF THE FOREGOING APPLIES.

11. (A) THE SYSTEM OF CATEGORIES AND THE RATES OF CONVERSION INTO SQUARE YARDS EQUIVALENT LISTED IN ANNEX B HERETO SHALL APPLY IN IMPLEMENTING THIS AGREEMENT, EXCEPT AS PROVIDED IN THIS PARAGRAPH AND PARAGRAPH 13.

(B) FOR PURPOSES OF THIS AGREEMENT AND WITH REFERENCE TO THE PARTICULAR CIRCUMSTANCES OF HONG KONG'S TRADE PATTERNS WITH THE UNITED STATES, THE CATEGORIES BELOW ARE MERGED AS INDICATED AND TREATED AS SINGLE CATEGORIES, WITH LIMITS FOR CATEGORIES AND SUBCATEGORIES AS SET OUT IN ANNEX A AND SUBJECT TO THE PROVISIONS OF PARAGRAPHS 12 AND 13.

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| CATEGORIES MERGED | DESIGNATION IN AGREEMENT |
|---|---|
| 1) 333, 334 AND 335 | 333/334/335 |
| 2) 338 AND 339 | 338/339 |
| 3) 347 AND 348 | 347/348 |
| 4) 445 AND 446 | 445/446 |
| 5) 633, 634 AND 635 | 633/634/635 |
| 6) 638 AND 639 | 638/639 |
| 7) 643 AND 644 | 643/644 |
| 8) 645 AND 646 | 645/646 |

FOR PURPOSES OF COMPUTING CHARGES TO AGGREGATE, GROUP, SPECIFIED LIMITS AND SUB-LIMITS FOR THE MERGED CATEGORIES CITED ABOVE, THE CONVERSION FACTORS FOR INDIVIDUAL CATEGORIES SET OUT IN ANNEX B SHALL BE APPLIED.
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(C) THE GOVERNMENT OF THE UNITED STATES RESERVES THE RIGHT TO CONSULT WITH THE GOVERNMENT OF HONG KONG, UNDER THE PROVISIONS OF PARAGRAPH 25, SHOULD THE TRADE PATTERNS REFERRED TO ABOVE CHANGE SIGNIFICANTLY.

12. FOR THE PURPOSE OF CALCULATING PERMISSIBLE ADJUSTMENTS IN THE FIRST AGREEMENT YEAR UNDER PARAGRAPHS 6 AND 7 AND OF ESTABLISHING LIMITS FOR SUBSEQUENT AGREEMENT YEARS, THE SPECIFIED LIMIT FOR MAN-MADE FIBER SWEATERS (MERGED CATEGORY 645/646) FOR THE FIRST AGREEMENT YEAR SHALL BE DEEMED TO BE 1,202,858 DOZENS. FOR ALL OTHER PURPOSES UNDER THIS AGREEMENT, THE SPECIFIED LIMIT FOR MAN-MADE FIBER SWEATERS (CATEGORY 645/646) FOR THE FIRST AGREEMENT YEAR SHALL BE AS SET FORTH IN ANNEX A.
13. (A) THE FOLLOWING MERGED CATEGORIES, PREVIOUSLY CITED

IN PARAGRAPH 11, HAVE BEEN ESTABLISHED IN CONSIDERATION OF THE UNIQUE SITUATION IN HONG KONG CONCERNING THE AVOIDANCE OF DISRUPTION OF TRADE PATTERNS.

PRODUCTS (CATEGORIES)
SUIT TYPE COATS, COTTON, M AND B .....(333)
OTHER COATS, COTTON, M AND B .....(334)
COATS, COTTON, W, G AND I .....(335)
SUIT TYPE COATS, MAN-MADE FIBER, M AND B .....(633)
OTHER COATS, MAN-MADE FIBER, M AND B .....(634)
COATS, MAN-MADE FIBER, W, G AND I .....(635)
SUITS, MAN-MADE FIBER, M AND B .....(643)
SUITS, MAN-MADE FIBER, W, G AND 8 .....(644)
ARE GROUPED IN THREE MERGED CATEGORIES AS FOLLOWS:
333/334/335
633/634/635
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643/644
AND SUBJECT TO THE CONDITIONS AND PROVISIONS INDICATED IN THE SUB-PARAGRAPHS BELOW.

(B) EACH OF THE MERGED CATEGORIES IS DIVIDED INTO SUB-CATEGORIES AS FOLLOWS:

| MEN'S AND BOYS' SUB-CATEGORIES | WOMEN'S, GIRLS' AND INFANTS' SUB-CATEGORIES |
|---|---|
| 333/334 | 335 |
| 633/634 | 635 |
| 643 | 644 |

(C) WITHIN THE SPECIFIED LIMITS SET OUT IN ANNEX A APPLICABLE TO MERGED CATEGORY 333/334/335, MERGED CATEGORY 633/634/635, AND MERGED CATEGORY 643/644, THE GOVERNMENT OF HONG KONG SHALL LIMIT EXPORTS OF PRODUCTS IN SUB-CATEGORY 333/334, SUB-CATEGORY 335, SUB-CATEGORY 633/634, SUB-CATEGORY 635 AND IN SUB-CATEGORY 643 AND SUB-CATEGORY 644 TO THE APPLICABLE SUB-LIMITS SET OUT IN ANNEX A. THE SUB-LIMITS SET OUT IN ANNEX A APPLICABLE TO EACH SUB-CATEGORY INCLUDE PERMISSIBLE EXCESS AMOUNTS EQUAL TO 15 PERCENT ABOVE THE BASE LEVEL FOR SUB-CATEGORIES:
-- 333/334
-- 335
-- 633/634
-- 635,
AND 10 PERCENT ABOVE THE BASE LEVEL FOR SUB-CATEGORIES
-- 643
-- 644
SHOULD, WITHIN EACH MERGED CATEGORY, AN EXCESS AMOUNT UP TO THE PERMISSIBLE EXCESS AMOUNT BE APPLIED TO ONE SUB-CATEGORY, AN EQUIVALENT DEDUCTION SHALL BE MADE FROM THE BASE LEVEL OF THE OTHER SUB-CATEGORY WITHIN THE CATEGORY.



(D) WITH RESPECT TO THIS PARAGRAPH, EITHER GOVERNMENT MAY REQUEST THAT THE TWO GOVERNMENTS CONSULT TO SEEK A MUTUALLY SATISFACTORY SOLUTION TO OVERCOME ANY PROBLEM THAT MAY ARISE, SUCH AS ANY SIGNIFICANT CHANGE IN TRADE PATTERNS WITHIN SUB-CATEGORIES. THE CONCEPTS AND PROCEDURES APPLICABLE TO THIS CONSULTATION SHALL FOR EITHER GOVERNMENT AS APPROPRIATE BE SIMILAR TO THOSE IN SUB-

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PARAGRAPHS 8(B) AND 8(C) OF THIS AGREEMENT.

(E) IN THE COURSE OF THE CONSULTATION REFERRED TO ABOVE, BOTH GOVERNMENTS SHALL SYMPATHETICALLY CONSIDER ANY PROPOSALS CONCERNING THE MERGERS SET FORTH FOR SUBSEQUENT AGREEMENT YEARS.

(F) THE GOVERNMENT OF HONG KONG SHALL ESTABLISH AND MAINTAIN A SYSTEM OF TABULATION ACCOUNTING OF LICENCES ISSUED FOR THE PRODUCTS (CATEGORIES) IN THESE MERGERS BY CONSTRUCTION (KNIT AND WOVEN), AND SHALL REPORT MONTHLY TO THE GOVERNMENT OF THE UNITED STATES ON SUCH LICENCES.

14. FOR THE FIRST AGREEMENT YEAR, EACH GOVERNMENT SHALL MAINTAIN STATISTICAL RECORDS ON IMPORTS OR EXPORTS, AS APPROPRIATE, OF COTTON SUITS, THE COMPONENT PARTS OF WHICH HAVE BEEN CHARGED TO TWO OR MORE OF THE FOLLOWING CATEGORIES:333,334, 335, 342, 347 AND 348. THE GOVERNMENT OF THE UNITED STATES SHALL INFORM THE GOVERNMENT OF HONG KONG PRIOR TO THE END OF THE FIRST AGREEMENT YEAR WHETHER IT WISHES TO CONSULT WITH THE GOVERNMENT OF HONG KONG WITH A VIEW TO CREATING SEPARATE SPECIFIED LIMITS FOR COTTON SUITS. IF THE GOVERNMENT OF THE UNITED STATES SO REQUESTS SUCH CONSULTATIONS, THE GOVERNMENT OF HONG KONG SHALL PROMPTLY CONSULT WITH THE GOVERNMENT OF THE UNITED STATES.
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15. UNTIL SUCH TIME AS THE PARTIES REACH AGREEMENT ON SPECIFIED LIMITS ON EITHER, OR BOTH, MEN'S AND BOYS' WOOL SUITS, NOT KNIT (CATEGORY 443) AND MAN-MADE FIBER SHIRTS, NOT KNIT (CATEGORY 640), SUCH PRODUCTS (CATEGORIES) SHALL BE SUBJECT TO THE PROVISIONS OF PARAGRAPH 9.

16. THE GOVERNMENT OF THE UNITED STATES NOTES THAT MAN-MADE FIBER SHIRTS, KNIT (CATEGORY 638) AND MAN-MADE FIBER SHIRTS, NOT KNIT (CATEGORY 640) ARE OF PARTICULAR SENSITIVITY TO ITS INTERNATIONAL TEXTILE TRADE.

17. MUTUALLY SATISFACTORY ADMINISTRATIVE ARRANGEMENTS OR ADJUSTMENTS MAY BE MADE TO RESOLVE MINOR PROBLEMS ARISING IN THE IMPLEMENTATION OF THIS AGREEMENT, INCLUDING DIFFERENCES IN POINTS OF PROCEDURE OR OPERATION.

18. THE TWO GOVERNMENTS RECOGNIZE THAT THE SUCCESSFUL IMPLEMENTATION OF THIS AGREEMENT DEPENDS IN LARGE PART ON ALIGNMENT OF THE CLASSIFICATION PRACTICES OF BOTH GOVERNMENTS. OFFICIALS OF THE TWO GOVERNMENTS SHALL MONITOR CLASSIFICATION PROCEDURES AND SHALL CONSULT ON

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ACTUAL OR POTENTIAL CLASSIFICATION DIFFERENCES.

19. A VISA SYSTEM, IN THE FORM ATTACHED AS ANNEX D, SHALL BE INSTITUTED BY THE TWO GOVERNMENTS EFFECTIVE JANUARY 1, 1978 TO FACILITATE IMPLEMENTATION OF THIS AGREEMENT.

20. (A) THE TWO GOVERNMENTS RECOGNIZE THAT THE SUCCESS-FUL IMPLEMENTATION OF THIS AGREEMENT DEPENDS IN LARGE PART UPON MUTUAL COOPERATION ON STATISTICAL QUESTIONS. THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHALL PROMPTLY SUPPLY THE GOVERNMENT OF HONG KONG WITH DATA ON MONTHLY IMPORTS OF COTTON, MAN-MADE FIBER AND WOOL TEXTILE PRODUCTS FROM HONG KONG. THE GOVERNMENT OF LIMITED OFFICIAL USE



HONG KONG SHALL PROMPTLY SUPPLY THE GOVERNMENT OF THE UNITED STATES OF AMERICA WITH PERTINENT DATA ON ANTICIPATED EXPORTS IN CATEGORIES NOT SUBJECT TO SPECIFIED LIMITS AND DATA ON MONTHLY EXPORTS OF COTTON, MAN-MADE FIBER AND WOOL PRODUCTS TO THE UNITED STATES.

(B) EACH GOVERNMENT AGREES TO SUPPLY PROMPTLY ANY OTHER AVAILABLE STATISTICAL DATA NECESSARY TO THE IMPLEMENTATION OF THIS AGREEMENT REQUESTED BY THE OTHER GOVERNMENT.

21. THE GOVERNMENT OF HONG KONG SHALL USE ITS BEST EFFORTS TO SPACE EXPORTS FROM HONG KONG TO THE UNITED STATES WITHIN EACH CATEGORY OR SUB-CATEGORY (OR COMBINATION OF CATEGORIES) EVENLY THROUGHOUT EACH AGREEMENT YEAR, TAKING INTO CONSIDERATION NORMAL SEASONAL FACTORS.

2B. IF, HAVING REGARD TO THE PROVISIONS OF THE ARRANGE-MENT, THE GOVERNMENT OF HONG KONG CONSIDERS THAT HONG KONG IS BEING PLACED IN AN INEQUITABLE POSITION VIS-A-VIS A THIRD COUNTRY, THE GOVERNMENT OF HONG KONG MAY REQUEST CONSULTATIONS WITH THE GOVERNMENT OF THE UNITED STATES WITH A VIEW TO TAKING APPROPRIATE REMEDIAL ACTION. THE GOVERNMENT OF THE UNITED STATES SHALL CONSULT WITH THE GOVERNMENT OF HONG KONG IN THE EVENT OF SUCH A REQUEST.

23. EITHER GOVERNMENT MAY TERMINATE THIS AGREEMENT, EFFECTIVE AT THE END OF AN AGREEMENT YEAR, BY WRITTEN NOTICE TO THE OTHER GOVERNMENT, TO BE GIVEN AT LEAST 90 DAYS PRIOR TO THE END OF SUCH AGREEMENT YEAR. EITHER GOVERNMENT MAY AT ANY TIME PROPOSE REVISIONS IN THE TERMS OF THIS AGREEMENT.



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24. EACH GOVERNMENT RESERVES ITS RIGHTS UNDER THE ARRANGEMENT WITH RESPECT TO TEXTILES AND TEXTILE PRODUCTS NOT SUBJECT TO THIS AGREEMENT. FOR TEXTILES AND TEXTILE PRODUCTS COVERED BY THIS AGREEMENT, IT IS AGREED THAT EITHER OF THE PARTIES MAY HAVE RECOURSE TO ANY AND ALL OF THE PROVISIONS OF THE ARRANGEMENT, SAVE THAT THE GOVERNMENT OF THE UNITED STATES WAIVES ITS RIGHTS UNDER ARTICLE 3 OF THE ARRANGEMENT WITH RESPECT TO PRODUCTS COVERED BY THIS AGREEMENT AS LONG AS THIS AGREEMENT REMAINS IN EFFECT.

25. THE GOVERNMENT OF HONG KONG AND THE GOVERNMENT OF THE UNITED STATES AGREE TO CONSULT, AT THE REQUEST OF EITHER GOVERNMENT, ON ANY QUESTION ARISING IN THE IMPLEMENTATION OF THIS AGREEMENT.

26. THE TWO GOVERNMENTS AGREE TO UNDERTAKE A MAJOR REVIEW OF THIS AGREEMENT NO LATER THAN THE END OF THE THIRD AGREEMENT YEAR.

IF THE FOREGOING PROPOSAL IS ACCEPTABLE TO THE GOVERNMENT OF HONG KONG, THIS NOTE AND YOUR NOTE OF ACCEPTANCE ON BEHALF OF THE GOVERNMENT OF HONG KONG SHALL CONSTITUTE AN AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND HONG KONG.

ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES OF MY HIGHEST CONSIDERATION.

-- ANNEX A
-- 1ST YEAR 2ND YEAR
-- UNITS UNITS

AGGREGATE SYE 957,694,629 1,015,156,307

3RD YEAR 4TH YEAR 5TH YEAR
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UNITS UNITS UNITS

1,076,065,685 1,140,629,626 1,209,067,404

GROUP I SYE 261,778,905 278,088,163
295,382,002 313,719,557 333,163,512

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SHEETING (313) SYD 110,818,121 119,309,279
126,357,312 133,828,226 141,747,396

TWILLS AND SATEENS
(317) SYD 42,769,860 47,178,122
49,898,285 52,781,659 55,838,036

DUCK (319) SYD 61,402,367 61,402,367
61,402,367 61,402,367 61,402,367

GROUP II SYE 594,659,021 631,707,260
670,992,080 712,647,813 756,816,853

GLOVES (331) DPR 3,120,000 3,213,600
3,310,008 3,409,308 3,511,587

COATS (333/334/
335) DOZ 394,933 411,955
429,797 448,504 468,121

-- M AND B((333/
334)) DOZ 198,319 210,218
222,831 236,201 250,373

-- W, G AND I
((335)) DOZ 255,854 263,531
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271,436 279,579 287,966

DRESSES, INC. UNIFORMS
(336) DOZ 171,593 181,889
192,802 204,370 216,632

PLAYSUITS (337) DOZ 684,750 725,835
769,835 815,584 864,481

KNIT SHIRTS (338/
339) DOZ 2,291,987 2,360,747
2,431,569 2,504,516 2,579,651

SHIRTS NOT KNIT
(340) DOZ 2,194,820 2,260,665
2,328,485 2,398,339 2,470,289

BLOUSES, NOT KNIT
(341) DOZ 2,223,111 2,289,804
2,358,498 2,429,253 2,402,131

SKIRTS (342) DOZ 233,476 240,480

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247,695 255,126 262,779

SWEATERS (345) DOZ 168,742 178,867
189,599 200,947 213,033

TROUSERS, SLACKS, SHORTS
(347/348) DOZ 5,075,799 5,284,928
5,503,741 5,732,735 5,972,431

--M AND B
((347)) DOZ 2,368,930 2,511,066
2,661,730 2,821,434 2,990,720

--W, G AND I
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((348)) DOZ 3,975,819 4,095,094
4,217,046 4,344,485 4,474,819

DRESSING GOWNS
(350) DOZ 86,171 91,341
96,822 102,631 108,789

NIGHTWEAR (351) DOZ 1,013,2B6 1,043,654
1,074,963 1,107,212 1,140,428

COATS (633/634/
635) DOZ 934,043 970,590
1,008,745 1,048,587 1,090,199

--M AND B((633/
634)) DOZ 326,820 346,428
367,215 389,247 412,603

--W,G AND I
((635)) DOZ 747,330 769,750
792,842 816,628 841,126

KNIT SHIRTS (638/
639) DOZ 3,763,989 3,892,210
4,025,194 4,163,142 4,306,260

BLOUSES (641) DOZ 604,000 640,240
678,654 719,374 762,536

SUITS (643/644) NOS 4,622,839 4,900,209
5,194,222 5,505,875 5,836,228

--M AND B ((643)) NOS 803,482 851,690
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902,792 956,959 1,014,377

--W,G AND I
((644)) NOS 4,281,641 4,538,540
4,810,852 5,099,503 5,405,473

SWEATERS (645/
646) DOZ 1,130,687 ------
SUBJECT TO CONSULTATIONS SUBJECT TO ------
-- CONSULTATIONS

TROUSERS (648) DOZ 1,054,376 1,086,007
1,118,587 1,152,145 1,186,709

BRASSIERES (649)
----- DOZ 1,023,419 1,084,824
1,149,914 1,218,908 1,292,043

GROUP III SYE 59,111,200 62,793,926
66,698,975 70,839,702 75,230,260

GROUP IV SYE 42,145,503 42,506,958
42,992,628 43,422,554 43,856,779

SWEATERS (445/
446) DOZ 1,131,437 1,142,751
1,154,179 1,165,721 1,177,378

-- ANNEX B

CAT. DESCRIPTION CONVERSION UNIT OF
-- FACTOR MEASURE

-- YARN

-- COTTON
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300 CARDED 4.6 LB.
301 COMBED 4.6 LB

-- WOOL
400 TOPS AND YARN 2.0 LB.

-- MAN-MADE FIBER

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600 TEXTURED 3.5 LB.
601 CONT. CELLULOSIC 5.2 LB.
602 CONT. NON-CELLULOSIC 11.6 LB.
603 SPUN CELLULOSIC 3.4 LB.
604 SPUN NON-CELLULOSIC 4.1 LB.
605 OTHER YARNS 3.5 LB.

-- FABRIC
-- COTTON
310 GINGHAMS 1.0 SYD.
311 VELVETEENS 1.0 SYD.
312 CORDUROY 1.0 SYD.
313 SHEETING 1.0 SYD.
314 BROADCLOTH 1.0 SYD.
315 PRINTCLOTHS 1.0 SYD.
316 SHIRTINGS 1.0 SYD.
317 TWILLS AND SATEENS 1.0 SYD.
318 YARN-DYED 1.0 SYD.
319 DUCK 1.0 SYD.
320 OTHER FABRICS, N.K. 1.0 SYD.

-- WOOL
410 WOOLENS AND WORSTED 1.0 SYD.
411 TAPESTRIES AND UPHOLSTERY 1.0 S.
425 KNIT 2.0 LB.
429 OTHER FABRICS 1.0 SYD.
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-- MAN-MADE FIBER
610 CONT. CELLULOSIC, N.K. 1.0 SYD.
611 SPUN CELLULOSIC, N.K. 1.0 SYD.
612 CONT. NONCELL., N.K. 1.0 SYD.

613 SPUN NONCELLULOSIC, N.K. 1.0 SYD.
614 OTHER FABRICS, N.K. 1.0 SYD.
625 KNIT 7.8 LB.
626 PILE AND TUFTED 1.0 SYD.
627 SPECIALTY 7.8 LB.

-- APPAREL
-- COTTON
330 HANDKERCHIEFS 1.7 DZ.
331 GLOVES 3.5 DPR.
332 HOSIERY 4.6 DPR.
333 SUIT-TYPE COATS, M AND B 36.2 DZ.
334 OTHER COATS, M AND B 41;3 DZ.

335 COATS, W, G,I 41,3 DZ.

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336 DRESSES (INCLUDING
-- UNIFORMS) 45.3 DZ.
337 PLAYSUITS, SUNSUITS, WASHSUITS,
-- CREEPERS, ROMPERS, ETC. .0 DZ.
338 KNIT SHIRTS, (INCLUDING T-SHIRTS, OTHER
-- AND SWEATSHIRTS) M AND B 7.2 DZ.
339 KNIT SHIRTS AND BLOUSES (INCLUDING
-- T-SHIRTS, OTHER AND SWEATSHIRTS)
-- SWEATSHIRTS) W, G, I 7.2 DZ.
340 SHIRTS, N.K. 24.0 DZ.
341 BLOUSES, N.K. 14.5 DZ.
342 BKIRTS 17.8 DZ.
343 SUITS, M AND B 4.5 NO.
344 SUITS, W, G, I 4.5 NO.
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345 SWEATERS 36.8 DZ.
347 TROUSERS, SLACKS, AND SHORTS (OUTER),
-- M AND B 17.8 DZ.
348 TROUSERS, SLACKS AND SHORTS (OUTER),
-- W, G, I 17.8 DZ.
349 BRASSIERES, ETC. 4.8 DZ.
350 DRESSING GOWNS, INCLUDING BATHROBES, AND
-- BEACH ROBES, LOUNGING GOWNS, HOUSE COATS,
-- AND DUSTERS 51.0 DZ.
351 PAJAMAS AND OTHER
-- NIGHTWEAR 52.0 DZ.
352 UNDERWEAR (INCLUDING
-- UNION SUITS) 11.0 DZ.
359 OTHER APPAREL 4.6 LB.

-- WOOL
431 GLOVES 2.1 DPR.

432 HOSIERY 2.8 DPR.
433 SUIT-TYPE COATS, M AND B 3.0 NO.
434 OTHER COATS, M AND B 4.5 NO.
435 COATS, W, G, I 4.5 NO.
436 DRESSES 4.1 NO.

438 KNIT SHIRTS AND BLOUSES 15.0 DZ.
440 SHIRTS AND BLOUSES, N.K. 24.0 DZ.
442 SKIRTS 1.5 NO.
443 SUITS, M AND B 4.5 NO.
444 SUITS, W, G, I 4.5 NO.
445 SWEATERS; M AND B 14.88 DZ.
446 SWEATERS, W, G, I 14.88 DZ.
447 TROUSERS, SLACKS, AND SHORTS,
-- M AND B 1.5 NO.
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448 TROUSERS, SLACKS, AND SHORTS,
-- W, G, I 1.5 NO.
459 OTHER WOOL APPAREL 2.0 LB.

-- MAN-MADE FIBER
630 HANDKERCHIEFS 1.7 DZ.
631 GLOVES 3.5 DPR.
632 HOSIERY 4.6 DPR.
633 SUIT-TYPE COATS, M AND B 36.2 DZ.
634 OTHER COATS, M AND B 41.3 DZ.
635 COATS, W, G, I 41.3 DZ.
636 DRESSES 45.3 DZ.
637 PLAYSUITS, SUNSUITS, WASHSUITS,
-- ETC. 21.3 DZ.
638 KNIT SHIRTS, (INCLUDING T-SHIRTS),
-- M AND B 18.0 DZ.
639 KNIT SHIRTS AND BLOUSES (INCLUDING T-SHIRTS),
-- W, G, I 15.0 DZ.
640 SHIRTS 24.0 DZ.
641 BLOUSES 14.5 DZ.
642 SKIRTS 17.8 DZ.
643 SUITS, M AND B 4.5 NO.
644 SUITS, W, G, I 4.5 NO.
645 SWEATERS, M AND B 36.8 DZ.
646 SWEATERS, W, G, I 36.8 DZ.
647 TROUSERS, SLACKS, AND SHORTS,
-- M AND B 17.8 DZ.

648 TROUSERS, SLACKS AND SHORTS
-- W, G, I 17.8 DZ.
649 BRASSIERES, ETC. 4.8 DZ.
650 DRESSING GOWNS, INCLUDING BATHROBES
-- AND BEACH ROBES 51.0 DZ.
651 PAJAMAS AND OTHER
-- NIGHTWEAR 52.0 DZ.
652 UNDERWEAR 16.0 DZ.



659 OTHER APPAREL 7.8 LB.

-- MADE-UPS AND MISC.
-- COTTON
360 PILLOWCASES 1.1 NO.
361 SHEETS 6.2 NO.
362 BEDSPREADS AND QUILTS 6.9 NO.

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363 TERRY AND OTHER PILE
-- TOWELS 0.5 NO.
369 OTHER COTTON MANUFACTURES 4.6 LB.

-- WOOL
464 BLANKETS AND AUTO ROBES 1.3 LB.
465 FLOOR COVERING 0.1 SFT.
469 OTHER WOOL MANUFACTURES 2.0 LB.

-- MAN-MADE FIBER
665 FLOOR COVERINGS 0.1 SFT.
666 OTHER FURNISHINGS 7.8 LB.
669 OTHER MAN-MADE MANUFACTURES 7.8 LB.

-- ANNEX C

ADJUSTED SWING MARGINS FOR THE MERGED CATEGORIES 333/334/
335: 347/348; 633/634/635 AND 638/639

333/334/335 COTTON COATS

YEAR 1 YEAR 2 YEAR 3 YEAR 4 YEAR 5
1978 1979 1980 1981 1982
6.436788 6.443681 6.450952 6.457913 6.465009

347/348 COTTON TROUSERS
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YEAR 1 YEAR 2 YEAR 3 YEAR 4 YEAR 5
1978 1979 1980 1981 1982
6.373361 6.380125 6.386892 6.39372 6.400593

633/634/635 MMF COATS

YEAR 1 YEAR 2 YEAR 3 YEAR 4 YEAR 5
1978 1979 1980 1981 1982
6.304207 6.310389 6.316562 6.322794 6.32912

638/639 MMF KNIT SHIRTS AND BLOUSES

YEAR 1 YEAR 2 YEAR 3 YEAR 4 YEAR 5
1978 1979 1980 1981 1982
6.135512 6.138903 6.142362 6.145911 6.149536

-- ANNEX D
DRAFT HONG KONG VISA SYSTEM

DEAR (HONG KONG OFFICIAL):

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I AM WRITING WITH REFERENCE TO PARAGRAPH 20 OF THE BILATERAL COTTON, WOOL AND MAN-MADE FIBER TEXTILE AGREEMENT BETWEEN THE GOVERNMENTS OF HONG KONG AND THE UNITED STATES OF AMERICA, EFFECTED BY EXCHANGE OF NOTES ON (DATE) AT HONG KONG.

I WISH TO PROPOSE ON BEHALF OF MY GOVERNMENT THAT THE FOLLOWING VISA MECHANISM BE ESTABLISHED AS AN ADMINISTRATIVE ARRANGEMENT:

1. EACH SHIPMENT OF TEXTILE APPAREL PRODUCTS UNDER THE TERMS OF THE SAID BILATERAL AGREEMENT PRODUCED OR MANUFACTURED IN HONG KONG AND EXPORTED TO THE UNITED STATES OF AMERICA, SHALL BE ACCOMPANIED BY AN EXPORT VISA ISSUED
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BY THE GOVERNMENT OF HONG KONG. THE EXPORT VISA SHALL BE A SIGNED COPY OF A HONG KONG EXPORT LICENSE WITH A STAMP ON THE FRONT, READING "APPROVED FOR EXPORT TO THE USA," SIGNED BY AN AUTHORIZED OFFICIAL OF THE GOVERNMENT OF HONG KONG. THE CATEGORY AND QUANTITIES IN THE SHIPMENT SHALL BE CORRECTLY INDICATED ON THE VISA. WHERE A SHIPMENT IS VALUED UNDER 250 DOLLARS (U.S. DOLLARS), THE VISA SHALL ALSO INDICATE "UNDER 250 DOLLARS".

2. THE NAMES AND FACSIMILE SIGNATURES OF THE OFFICIALS AUTHORIZED TO ISSUE AND SIGN TEXTILE EXPORT VISAS SHALL BE SUPPLIED BY THE GOVERNMENT OF HONG KONG. THE GOVERNMENT OF HONG KONG SHALL NOTIFY THE GOVERNMENT OF THE UNITED STATES OF AMERICA OF ANY CHANGES OF AUTHORIZED OFFICIALS AND SHALL PROVIDE FACSIMILES OF NEWLY AUTHORIZED OFFICIALS' SIGNATURES. A MINIMUM NUMBER OF OFFICIALS SHALL BE AUTHORIZED TO ISSUE VISAS.

3. THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHALL PUBLISH IN THE FEDERAL REGISTER THE VISA SYSTEM AS DESCRIBED HEREIN, UPON RECEIPT OF A COPY OF THE AUTHORIZED VISA STAMP.

4. TEXTILE APPAREL PRODUCTS PRODUCED OR MANUFACTURED IN HONG KONG INCLUDED UNDER TERMS OF THE SAID BILATERAL AGREEMENT AND EXPORTED TO THE UNITED STATES OF AMERICA AFTER DECEMBER 31, 1977, WHICH ARE NOT ACCOMPANIED BY A VALID AND CORRECT VISA IN ACCORDANCE WITH THIS LETTER SHALL BE DENIED ENTRY BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA FROM THE EFFECTIVE DATE OF THIS REQUIREMENT. HOWEVER, WHERE THE QUANTITY INDICATED ON THE VISA IS ABOVE THAT OF THE SHIPMENT, ENTRY MAY BE PERMITTED.
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5. THE NEW VISA WILL BE REQUIRED F8R TEXTILE APPAREL PRODUCTS EXPORTED AFTER DECEMBER 31, 1977. TEXTILE APPAREL PRODUCTS VISAED IN ACCORDANCE WITH PREVIOUSLY ESTABLISHED PROCEDURES AND WHICH HAVE BEEN EXPORTED TO THE UNITED STATES PRIOR TO JANUARY 1, 1978, SHALL BE DENIED ENTRY BY THE UNITED STATES EFFECTIVE JUNE 1, 1978.

6. THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND HONG KONG SHALL TAKE ALL APPROPRIATE STEPS TO INSURE COMPLIANCE WITH THIS VISA ARRANGEMENT AND THE SAID BILATERAL AGREEMENT.

IF THE FOREGOING PROPOSAL IS ACCEPTABLE TO YOUR GOVERNMENT, THIS LETTER AND YOUR LETTER OF ACCEPTANCE ON BEHALF OF THE GOVERNMENT OF HONG KONG SHALL CONSTITUTE AN ADMINISTRATIVE ARRANGEMENT BETWEEN OUR TWO GOVERNMENTS.

-- SINCERELY,

END TEXT OF AGREEMENT.

3. SINCE NUMEROUS CHANGES IN DRAFT TEXTS OF NOTES HAVE BEEN MADE BY PHONE, SUGGEST CONGEN COMPARE TEXTS WITH HKG BEFORE ACTUAL EXCHANGE OF NOTES, AND REPORT ANY DISCREPANCIES TO DEPARTMENT.

4. BECAUSE OF TELEGRAPHIC FORMAT, IT WAS NOT POSSIBLE TO TRANSMIT ANNEX A IN FORM IN WHICH IT SHOULD BE PRODUCED IN AGREEMENT. IN READING TELEGRAM, LEVELS FOR EACH AGREEMENT YEAR FOR EACH GROUP, CATEGORY, AND SUB-CATEGORY ARE SET OUT IN SAME SEQUENCE AS FOR AGGREGATE (E.G. 1ST YEAR LEVEL, GROUP I, IS 261,778,905; 2ND YEAR, 278,088,163; 3RD YEAR, 295,382,002; 4TH YEAR, 313,719,557; 5TH YEAR, 333,163,512.) ANNEX A SHOULD BE SET UP WITH EACH SET OF LEVELS RUNNING ACROSS A SINGLE LINE WITH FOLLOWING COLUMNS: 1) AGGREGATE, LIMITED OFFICIAL USE



GROUP, CATEGORY, OR SUB-CATEGORY NAME; 2) CATEGORY OR SUB CATEGORY NUMBER 3) UNIT OF MEASURE 4) SEPARATE COLUMNS FOR 1ST, 2ND, 3RD, 4TH, AND 5TH YEAR UNITS. HEADINGS FOR SUB LIMITS, DESIGNATED BY DOULBE PARENTHESES AROUND CATEGORY NUMBERS, SHOULD BE INDENTED. CHRISTOPHER

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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01-Jan-1994 12:00:00 am
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** TEXTILES, AGREEMENTS, TEXT, DIPLOMATIC NOTES
**Control Number:** n/a
**Copy:** SINGLE
**Sent Date:** 02-Aug-1977 12:00:00 am
**Decaption Date:** 01-Jan-1960 12:00:00 am
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 22 May 2009
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1977STATE181483
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** SFOUTS:HM
**Enclosure:** n/a
**Executive Order:** N/A
**Errors:** N/A
**Expiration:**
**Film Number:** D770277-0403
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**From:** STATE
**Handling Restrictions:** n/a
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**Litigation Codes:**
**Litigation History:**
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**Office:** ORIGIN EB
**Original Classification:** LIMITED OFFICIAL USE
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 22
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**Previous Classification:** LIMITED OFFICIAL USE
**Previous Handling Restrictions:** n/a
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**Review Event:**
**Review Exemptions:** n/a
**Review Media Identifier:**
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**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**SAS ID:** 1413442
**Secure:** OPEN
**Status:** NATIVE
**Subject:** BILATERAL TEXTILE AGREEMENT.
**TAGS:** ETRD, HK
**To:** HONG KONG
**Type:** TE
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS_Docs/7da5144f-c288-dd11-92da-001cc4696bcc
**Review Markings:**
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EO Systematic Review
22 May 2009
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009